

# FISCAL NOTE

## HB 513 - SB 1523

April 7, 2003

**SUMMARY OF BILL:** Repeals the *Tennessee Governmental Accountability Act of 2002* and enacts the *Performance-Based Budgeting and Program Review Act of 2003*. The primary differences between this legislation and that passed in 2002 are:

- Exempts the legislative and judicial branches along with the higher education system.
- Gives the power formerly accorded to the Commissioner of Finance and Administration to regulate the development of executive branch performance measures, to the Governmental Accountability Commission and the Governor.
- Adds the Commissioner of Finance and Administration to the Governmental Accountability Commission.
- Requires the Governor to consult with the Commission and the Finance, Ways and Means Committee of each house on the identification of programs included in the budget.
- Requires the Governor to notify certain legislative committees of differences in the administration's proposed budget and the budget of the judicial branch.
- Prohibits the transfer of funds between programs in relation to performance incentives or punishments.
- Requires implementation within existing resources of the executive branch.
- Eliminates specific strategic planning requirements.

### ESTIMATED FISCAL IMPACT:

#### Increase State Expenditures - Net Impact - Not Significant

Estimate assumes:

- a decrease in state expenditures from eliminating the legislative, judicial and the higher education system from the performance-based budget process.
- an increase in state expenditures to the Department of Finance and Administration to coordinate performance-based budget activities with the legislative committees and the Governmental Accountability Commission.
- resources previously allocated to implement Public Chapter 875 of the Public Acts of 2002, which this act replaces, will be sufficient to implement the bill.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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